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FARM POLICY AND PROGRAM FOR THE YEARS 1947 AND 1948

DATA SUBMITTED

BY THE

SECRETARY OF AGRICULTURE

TO THE

COMMITTEE ON AGRICULTURE AND FORESTRY

OUTLINING THE

DEPARTMENT'S FARM POLICY AND PROGRAM FOR THE YEARS 1947 AND 1948

PRESENTED BY MR. CAPPER

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FARM POLICY AND PROGRAM FOR THE YEARS 1947 AND 1948

On January 23, 1947, the Secretary of Agriculture, Clinton P. Anderson, appeared before the Senate Committee on Agriculture and Forestry and outlined the Department's farm policy and program for the years 1947 and 1948.

During the 2 years (1947–48) the Government is authorized and directed by existing law to support prices at fixed levels for certain farm commodities.

To date, the Government's support programs covering the several farm commodities have not been published in a single document.

The farmers have been required to rely upon press releases, bulletins, or other publications to piece together the support programs for their various crops.

No document has ever been published combining the different programs under one cover for distribution to farmers.

Crop quotas for 1947 have been published.

It seems obvious that the Government's price-support program, should, likewise, have been published prior to the beginning of the planting season and not later than January 1.

Farmers should have such information for consideration and guidance in the planning for their season's crops.

The data herewith compiled and made public shows the present parity prices as computed and released by the Agriculture Department on January 29, 1947.

The following schedule shows the present parity prices compared to the parity prices used as a basis for computing the present price-support program.

Schedule of basic, Steagall, and other commodities under price supports

Commodities	Unit	Average parity price, 1946 loan basis		Average parity price, Jan. 15, 1947
Basic commodities:				
Cotton, 7/8-inch Middling	Pound	July 15, 1946	$0.2468	$0.2666
Corn	Bushel	Oct. 1, 1946	1.28	1.38
Wheat	do	June 15, 1946	1.65	1.90
Rice	do	July 15, 1946	1.62	1.75
Tobacco, flue-cured	Pound	June 15, 1946	.36	.417
Tobacco, burley	do	Sept. 15, 1946	.373	.404
Peanuts	do	July 15, 1946	.0955	.103
Steagall commodities:				
Chickens	do	do	.227	.245
Cotton (American Egyptian)	do	Aug. 1, 1946	.5099	.5511
Dry beans	Hundredweight	Aug. 15, 1946	6.87	7.25
Dry peas	do	July 1, 1946	3.93	4.49
Eggs	Dozen	July 15, 1946	.411	.48
Flaxseed	Bushel	do	3.18	3.63
Hogs	Hundredweight	do	14.50	15.60
Milk	do	do	2.96	3.64
Butterfat	Pound	do	.488	.587

Schedule of basic, Steagall, and other commodities under price supports—Continued

Commodities	Unit	Average parity price, 1946 loan basis		Average parity price, Jan. 15, 1947
Potatoes	Bushel	July 1, 1946	$1.37	$1.59
Sweetpotatoes	do	do	1.65	1.89
Soybeans	do	July 15, 1946	1.91	2.06
Turkeys	Pound	do	.287	.31
Other commodities under price supports:				
Barley	Bushel	Feb. 15, 1946	1.10	1.33
Flax (fiber)			(1)	(1)
Grain sorghums	Hundredweight	Feb. 15, 1946	2.15	2.60
Grasses			(2)	(2)
Hemp			(1)	(1)
Legumes (alfalfa)	Hundredweight	Sept. 15, 1946	13.05	15.70
Oats	Bushel	Feb. 15, 1946	.71	.858
Sugar beets	Hundredweight	1946 average	10.67	(3)
Vegetables			(2)	(2)
Wool	Pound	July 15, 1946	.364	.393

1 None established.
2 Varying as to species.
3 1947 average parity not established.

The record shows that the parity prices of the several farm commodities are increasing rather than declining.

Under existing law, the loan, or support price of any given commodity is fixed at a certain percent of the parity price as of a date immediately preceding the beginning of the marketing season for such commodity.

For example, the parity prices of the basic commodities of cotton, rice, and peanuts are fixed as of July 15.

The parity prices of wheat and flue-cured tobacco are fixed as of date June 15.

The parity price of burley tobacco is fixed as of date September 15 and the parity price of corn is fixed as of date October 1.

The Steagall and other commodities under price supports are based on various dates as shown by the schedule printed hereunder.

A number of questions were submitted to Secretary Anderson soliciting information to guide the committee in the development of a farm program as recommended by the President.

The questions and answers are as follows:

Question 1. Explain the effect of the President's order of "cessation of hostilities" issued last December 31, upon the farm price-support programs.

Answer. The President's proclamation on December 31, 1946, of the cessation of hostilities in World War II establishes December 31, 1948, as the termination date for wartime price supports on agricultural commodities. Mandatory price support of the so-called Steagall commodities ends on that date, and the level of loan support by the Commodity Credit Corporation on the basic commodities harvested thereafter reverts to the levels prescribed by the Agricultural Adjustment Act of 1938, as amended. (Note following statement prepared by Office of the Solicitor:)

MEMORANDUM ON PROCLAMATION OF THE PRESIDENT OF THE CESSATION OF HOSTILITIES IN WORLD WAR II AND ITS EFFECT UPON THE DEPARTMENT OF AGRICULTURE

The President by proclamation, effective at noon December 31, 1946, declared that hostilities in World War II have terminated, although noting that a state

of war still exists and that the states of emergency declared by President Roosevelt on September 8, 1939, and May 27, 1941, have not been terminated.

None of the major program legislation of this Department is immediately affected by this proclamation. As a result of the Presidential proclamation, however, the obligation of the Commodity Credit Corporation to make loans available upon the basic commodities at the rate of 90 percent of parity in the case of corn, wheat, rice, tobacco, and peanuts and 92½ percent of parity in the case of cotton will terminate with crops harvested during the period ending December 31, 1948. In addition, the obligation of the Department to support the prices of the so-called Steagall commodities at not less than 90 percent of the parity or comparable price will terminate on December 31, 1948. The Steagall commodities are hogs, eggs, chickens (excluding chickens weighing less than 3 pounds and broilers), turkeys, milk, and butterfat, dry peas of certain varietal types, dry edible beans of certain varietal types, soybeans for oil, peanuts for oil, flaxseed for oil, American Egyptian cotton, white potatoes, and sweetpotatoes. Also, the authority of Commodity Credit Corporatoin to dispose of cotton free of the quantitative and price restrictions of the Agricultural Adjustment Act of 1938 will expire December 31, 1948. Active liquidation of labor supply centers, labor homes, labor camps, and facilities utilized in the war farm labor supply program must begin July 1, 1947. In addition, among other items of general applicability, the proclamation causes the Surplus Property Act of 1944 to expire December 31, 1949; ends, effective December 31, 1949, the suspension of the running of statutes of limitations upon prosecutions for certain frauds against the United States, and terminates the authority of the Secretary of Treasury effective July 1, 1947, to grant exemption from various Federal excise taxes with respect to sales to Federal agencies in cases where the benefit of the exemption will accrue to the United States. The Presidential power to seize plants and facilities is terminated.

Programs and authorities not affected by the proclamation include price control; allocation, including rationing (War Food orders); export control; wartime transfer of Federal functions by the President; power to contract for war purposes without regard to usual restrictions of law; provisions of the Selective Training and Service Act not relating to plant seizure; power and authority to suspend quotas under the Sugar Act of 1937 and the Agricultural Adjustment Act of 1938, and the wartime accumulation of annual leave.

Question 2. Explain the present price-support programs covering each commodity in the following groups:

(*a*) Basic commodities, corn, cotton, peanuts, rice, tobacco, wheat.

(*b*) Commodities known as Steagall commodities.

(*c*) Other commodities, affected by production and other controls, wherein price support is authorized.

The answers in the form of explanations follow:

(Answer to question 2 (*a*)—Basic commodities)

PRICE-SUPPORT PROGRAM FOR CORN

1. Loans on corn stored on farms only are made to producers by Commodity Credit Corporation. It is a basic commodity mandatory loan program, the authority for which is contained in the corporate charter of Commodity Credit Corporation, article 3, paragraph (b); section 8 of the Stabilization Act of 1942, as amended (50 U. S. C. App. 968 (supp. V)); and section 7 (a) of the act of January 31, 1935, as amended (15 U. S. C. 713 (a) (supp. V)).

2. Under the provisions of law, a schedule of loan rates which will result in a weighted average loan rate equal to 90 percent of parity must be provided. The weighted average of the 1946 loan rate schedule is equal to $1.152 per bushel, which is 90 percent of parity as of October 1, 1946. Parity on that date was $1.28 per bushel.

3. Loans are available to eligible producers from December 1, 1946, through July 31, 1947, on eligible corn stored in acceptable farm-storage structures. Loans mature on demand but not later than September 1, 1947, and bear interest of 3 percent per annum. Producers may obtain funds from local lending agencies or direct from Commodity Credit Corporation.

COTTON (UPLAND)

A. *Type of program.*—Loan program.

B. *Level of support.*—Ninety-two and one-half percent of parity as of August 1, 1946. Parity August 1, 1946, equals 24.68 cents per pound, 92½ percent of parity (August 1) equals 22.83 cents per pound. Base loan rate of 22.83 cents per pound applicable to Middling ⅞-inch cotton at average location.

C. *How the support program operates.*—Loans are made direct to producers on warehouse and farm-stored cotton through lending agencies (local banks and other institutions with adequate facilities for making loans to producers which are approved by CCC) and cotton cooperative marketing associations. Quality differentials reflect market differences for different grade and staple-length combinations, and location differentials reflect transportation from place stored to concentrated mill area of Carolinas. Loan announced on basis of Middling 15/16-inch cotton (base quality used in spot and futures transactions), and the loan rate for Middling 15/16-inch is determined by adding to the loan rate for Middling ⅞-inch cotton (22.83 cents per pound) the loan discount for Middling ⅞-inch cotton (1.55 cents per pound).

PEANUTS, 1946 CROP, PRICE-SUPPORT PROGRAM

1. *Type of program.*—Loan and purchase.

2. *Level of price support.*—Ninety percent parity July 15, 1946; 8.60 cents per pound is 1946 support price; 9.55 cents per pound is parity July 15, 1946; 8.89 cents per pound December 15, 1946, farm price (this is 93 percent of July 15 parity and 87 percent of December 15 parity); 1947 support price has been announced as 90 percent parity July 15, 1947.

3. *Operations.*—Nonrecourse loans are available to peanut producers on security of negotiable warehouse receipts from August 1, 1946, through January 31, 1947, maturing February 1, 1947, or earlier on demand. Loans are obtainable from private lending agencies or direct from the Corporation and carry interest at the rate of 3 percent per annum.

Purchases are made by the Corporation from August 1, 1946, through July 30, 1947. This operation includes direct purchases and, if requested, the taking over of loans made under lending agency agreements with private banks to shellers and dealers on peanuts purchased by them at not less than the support price. Details of the 1947 program have not been determined.

RICE

A. Loan program on 1946–47 crop was announced, but no requests for loans have been received.

B. Under provisions of the Price Stabilization Act of 1942 prices to producers of rice must be supported at 90 percent of parity. Parity is computed as of July 15 and was $1.62 a bushel on July 15, 1946.

C. Since the market price of rice has been substantially above parity throughout the 1946–47 marketing season, there has been no need for a support program, and the loan program has not been put into operation. CCC has purchased substantial quantities of rice for shipment to the Philippines and UNRRA from the current crop, and as a result no surplus has materialized. This operation by CCC has in effect operated to support prices, even though it was not designed as a support program.

TOBACCO

(*a*) Tobacco prices are supported by loan programs only. Loans are made through cooperatives. Loans are based on 90 percent of parity in the flue-cured and burley districts. Loans in the fire-cured districts are based on 75 percent of the loan rate for burley; in the dark air-cured districts, 66⅔ percent of burley. For the 1946 crop, these work out as follows:

	Flue-cured	Burley
Date for calculating parity	June 15, 1946	Sept. 15, 1946.
Parity, per pound	36.0 cents	37.3 cents.
90 percent	32.4 cents	33.6 cents.

	Cents
Fire-cured: 75 percent of burley	25.2
Air-cured: 66⅔ percent of burley	22.4

Method of operation.—The loan rate for the type is adjusted to a grade basis and a schedule of grade loan rates published in the Federal Register. Tobacco delivered by growers to auction markets is inspected for grade prior to auction. Lots not bid on by the buyers at more than the loan rate go to the association, are commingled by grade, redried, packed in hogsheads, and stored for future sale. Federal certificates of grade on the hogsheads form the basis of loans from banks for cooperatives, under which the tobacco is carried until sale. On ultimate sale the growers share in net profits.

WHEAT

Loan at 90 percent of parity at the beginning of the marketing year is mandatory under the Stabilization Act of 1942, as amended.

The basic rate is $1.49 per bushel at the farm, which is 90 percent of June 15 parity of $1.65.

Loans are made to producers on wheat stored on farms or in approved warehouses.

Loans were available until December 31, 1946, and will mature on April 30, 1947, or earlier on demand.

Because of shortage of warehouses in Georgia and South Carolina suitable for storage of wheat, provision was made for purchase of wheat from producers in those States in lieu of loans.

(Answer to question 2 (*b*)—Steagall commodities)

PRICE SUPPORT—CHICKENS

A. *Type of program.*—Purchases of dressed chickens in carlot quantities in regular market channels. Vendors are required to certify that producers received prices specified by the Commodity Credit Corporation.

B. *Level of support*—

1. Percent of parity: To reflect at least 90 percent of parity for the marketing year. Purchases will not be made of chickens weighing less than 3½ pounds, live weight, of commercial broilers and of old roosters.

2. Date of parity: Purchase prices will be developed based upon current levels of the index prices paid.

3. Dollar-and-cents value: Currently the national average farm price for chickens at 90 percent of parity is 20 to 22 cents per pound, live weight.

C. *How it operates.*—Purchase prices for dressed chickens of various qualities on a carlot basis would be announced. Vendors who sell to the Government would be required to certify that they had paid producer prices as specified by the CCC. This type of operation provides vendors with an assured outlet for chickens at prices which enable them to pay producer prices calculated to reflect at least 90 percent of parity. Price-support operations, designed for this purpose, should not be announced until it appears that market prices are at the levels which require support.

COTTON (AMERICAN-EGYPTIAN)

A. *Type of program.*—Loan program.

B. *Level of support.*—Ninety percent of parity as of August 1, 1946; parity as of August 1, 1946, 50.99 cents per pound; 90 percent of parity (August 1, 1946), 45.89 cents per pound.

C. *How the support program operates.*—Loans are made direct to producers on warehouses and farm-stored cotton through lending agencies (local banks and other institutions with adequate facilities for making loans to producers which are approved by CCC) and cotton cooperative marketing associations. Quality differentials reflect market differences for different grade and staple-length combinations, and location differentials reflect the difference in transportation cost from place stored to mills. The base loan rate (45.89 cents per pound) is applied to the average quality of cotton produced during the 5-year period 1941 through 1945.

DRY EDIBLE BEANS

1946 price-support program

A. *Type of program.*—Purchase.

B. *Operating level.*—Purchases made from bean dealers in producing areas (usually the first handler). Parity as of August 15, 1946, was $6.87; 90 percent of August 15 parity is $6.18. Support prices reflect an average of $6.55 to the grower, which is 95 percent of parity.

C. *How it operates.*—Agreements signed with dealers to buy any beans offered by them at support prices, with dealers agreeing to pay

growers the equivalent of the support prices as fixed by the agreements.

No purchases have been made under the price-support program because market prices are well above support-price levels. (A loan program to supplement the purchase program was contemplated but never placed in effect because it was found to be unnecessary due to high market prices.)

This commodity is supported at not less than 90 percent of parity under the provisions of the Steagall amendment.

DRY EDIBLE PEAS

Present price-support program (1946 crop)

A. *Type of program.*—Purchase.

B. *Operating level.*—Purchases are from pea dealers (initial handlers). Comparable price as of July 1 was \$3.93; 90 percent is \$3.54. Support price reflected \$3.70 to growers, or 94 percent of parity.

C. *Program operations.*—Agreements entered into with dealers to buy all peas offered at the support price, with dealers agreeing to pay growers the stipulated equivalent of the support price.

This commodity is required to be supported at not less than 90 percent of the comparable price under provision of the Steagall amendment.

PRICE SUPPORT—EGGS

A. *Type of program.*—Purchase in established market channels. Government purchases of eggs are made in dried, frozen, and/or shell form. Vendors are required to certify that producers received prices specified by the Commodity Credit Corporation.

B. *Level of support.*—

1. The national average farm price for the marketing year (calendar year) shall reflect at least 90 percent of parity.

2. Price levels at which purchases are made for price-support purposes are calculated for each month, considering changes in the index of prices paid which are expected to take place and the index of seasonality.

3. Producer purchase prices to which vendors must certify are calculated to reflect a national average farm price for the marketing year of at least 90 percent of parity when combined with prices which producers receive for sales made through other market outlets. The announced producer purchase price level for February, March, and April is 33 cents per dozen, while the estimated national average farm price for this period would be approximately 37 cents per dozen.

C. *How it operates.*—Price-support operations on eggs, through purchases in regular market channels, are designed to remove from the national supply of eggs sufficient quantities so that the national supply and demand situation will be in balance with the average price paid to producers during the marketing year, reflecting at least 90 percent of parity. Production and marketing patterns and price relationships between production regions are free to develop through the play of free competitive forces with the least possible interference from Government programs. The wide range in the quality of eggs marketed by individual farmers and the great variety of marketing methods used by them makes it impossible to develop price-support operations which

will establish minimum prices for individual producers. To attempt to do so would require that Government develop marketing systems for procuring eggs from individual producers which would have undesirable influences upon established market institutions.

FLAXSEED, 1946 CROP, PRICE SUPPORT PROGRAM

1. *Type of program.*—Loan and subsidy payment.

2. *Level of price support.*—$3.35 to $3.85 per bushel, depending upon quality and location, averaging $3.60; $3 per bushel or 90 percent of parity, whichever is higher, is loan rate; $3.18 per bushel, parity June 15, 1946; $3.60 per bushel, announced basis for subsidy payment program, 116 percent of June 15 parity; $3 per bushel loan program, 94 percent of parity; $3.60 per bushel present parity price (December 15, 1946); $3.24 per bushel equals 90 percent of present parity; $6.94 per bushel, December 15, 1946, farm price, equals 193 percent of present parity.

3. *Operations.*—Nonrecourse loans are available. Loan rates are based on $3 per bushel, Minneapolis basis, or such higher rate as may be required to reflect 90 percent of parity. Loans made under the program will be represented by notes and secured by chattel mortgages as to farm-stored flaxseed and by warehouse receipts as to flaxseed stored in warehouses. The loans will be obtainable through private lending agencies having contracts with the Corporation or direct from the Corporation. Interest is at the rate of 3 percent per annum. A storage allowance of 7 cents per bushel will be advanced on farm-stored flaxseed at the time the loan is made.

In addition to the loan program, the 1946 crop flaxseed was subsidized by a payment (based upon sales receipts or other acceptable evidence) to producers through the Field Service Branch county offices of the difference between the support price, varying from $3.35 to $3.85 per bushel, depending upon location and quality and the applicable ceiling price. Such payments were limited to flaxseed marketed before July 1, 1946, since the ceiling price was increased on that date.

Prices for the 1947 crop flaxseed will be supported at $6 per bushel, Minneapolis basis, for flaxseed grading U. S. No. 1. Usual differentials will be prescribed for other locations and for U. S. No. 2 flaxseed. Operational details will be determined at a later date.

HOG PRICE SUPPORT

1. *Type of program.*—Steagall commodity.

(*a*) No action program now in effect or needed.

(*b*) Probably purchases of pork and lard would be instituted if price support is required, but no decision has yet been made as to the method of price support.

(*c*) Present estimates indicate probably no support will be required at least during the present hog marketing year, which ends September 30, 1947.

2. *Level of support.*—

(*a*) Ninety percent of parity.

(*b*) $14.25 per hundred pounds, Chicago basis, annual average, for Good to Choice barrow and gilt butcher hogs, with seasonal variations from low point of $12.75 in December 1946 to high point of $15.75 in September 1947.

(*c*) Support price as percent of parity when announced in early October 1946: (1) For September 15, 94 percent of parity ($14.50 farm basis); (2) For October 15, 91 percent of parity ($15 farm basis).

(*d*) If parity on March 15, 1947, exceeds $15.10, the level of support will be increased to 90 percent of parity about April 1, 1947, for the marketing of fall pigs April through September. On December 15 parity was $15.50.

3. No operations.

MILK AND BUTTERFAT

Existing legislation requires that prices to producers for milk and butterfat be supported at not less than 90 percent of parity. Since actual farm prices for milk and butterfat have been substantially above parity prices, no specific price-support programs have been announced for these commodities.

1946 CROP IRISH-POTATO PRICE-SUPPORT PROGRAM

Type of program.—Potatoes are a Steagall commodity. Loan, purchase, diversion, and export subsidy operations are the principal activities under the program. Capital funds of the Commodity Credit Corporation are used to underwrite most of these operations, except that purchases which are distributed to school lunch, institutional, and other public-welfare outlets, as well as some diversion operations, are financed out of section 32 funds.

Level of support.—The level at which grower prices are supported is 90 percent of parity, or the comparable price, adjusted for grade, season, and location. The primary adjustment for seasonal differentials is made by supporting early and intermediate potatoes at 90 percent of parity as of January 1, the beginning date of their marketing season, and late potatoes at 90 percent of parity as of July 1 of the year in which produced. As of January 1, 1946, the parity price for potatoes was $1.28 per bushel; and as of July 1, 1946, was $1.37 per bushel. Ninety percent of parity therefore was $1.15 per bushel on January 1, 1946, and $1.23 per bushel on July 1. These prices are further adjusted for grade, season, and location.

Operations.—The various types of price-support operations employed by the Department in carrying out this program may be briefly described as follows:

1. Loans equivalent to 75 percent of the September support price guaranteed by Commodity Credit Corporation are made by private financing institutions upon certification of compliance with all terms and conditions by Department representatives. These loans on late-crop potatoes are nonrecourse as to price, but the borrowing growers, associations of growers, or dealers are responsible for quality deterioration of the collateral. Borrowers may tender potatoes to the Government at the current support price in lieu of cost repayment of loans.

2. Direct purchases from growers in the case of early and intermediate crops were made at several different levels, including graded and sacked f. o. b. carriers; bulk loaded at shipping points; bulk loaded at farmer's gate; and, in some few instances, in the ground unharvested. Potatoes so purchased were distributed to whatever outlets were currently available, with the best quality going on school-lunch and export-subsidy programs, with poor quality being sold generally for livestock feed and for industrial utilizations.

3. Diversion operations consist of paying processors the difference between their raw-material purchases at support prices and the market values of finished products. Potatoes are used principally in the manufacture of starch, flour, and alcohol.

SWEETPOTATOES

Type of program.—Sweetpotatoes are a Steagall commodity. Purchase and loan operations are used to effect market support. Section 32 funds are used in making purchases unless offerings from growers become so heavy that purchase operations must be supplemented with the use of CCC funds.

Level of support.—Sweetpotatoes are supported at 90 percent of the parity price as of July 1. The July 1, 1946, parity price was $1.65 per bushel, and 90 percent of parity was $1.49 per bushel. For the 1946 crop, the support level was represented by purchase prices for uncured sweetpotatoes ranging from $1.20 to $1.45 per bushel, depending upon grade, variety, and location, for the period September 1 to November 15. After the latter date, loans were available to growers in all areas on cured sweetpotatoes, providing for settlement rates at current support prices ranging from $1.60 to $1.95 per bushel depending upon grade and time of settlement.

Operations.—Purchases made by the Department under this program have been negligible in recent seasons, owing to the generally high level of the commercial market price. Such quantities as have been acquired have been distributed on the school-lunch program and to institutional outlets. Loans are available to growers, growers' cooperative associations, and dealers who have paid growers prices at least equal to support. Only one loan has been made during the current season, since producers have not felt the need for this security.

SOYBEANS, 1946 CROP, PRICE-SUPPORT PROGRAM

1. *Type of program.*—Loan and purchase.

2. *Level of price support.*—Prices of soybeans to producers supported at $2.04 per bushel through loan and purchase programs; $1.91 per bushel, comparable price July 15, 1946; $1.72 per bushel, 90 percent comparable price July 15, 1946; $2.04 per bushel, 1946 support price, which is 107 percent of the comparable price July 15, 1946, and 100 percent of the comparable price December 15, 1946; $2.75 per bushel, farm price December 15, 1946, or 135 percent of comparable price.

Prices for the 1947 crop soybeans will be supported at $2.04 per bushel, same as 1946.

3. *Operations.*—Nonrecourse loans are available to growers from beginning of the marketing year through January 31, 1947, maturing April 30, 1947, or earlier on demand. Support price for soybeans grading No. 2 or better is $2.04 per bushel. Loans are made on a note-and-chattel-mortgage basis for soybeans stored on the farm. Loans may be obtained from private lending agencies or direct from the Corporation. The interest rate is 3 percent per annum. In addition to the applicable loan rate, a storage advance of 7 cents per bushel will be made at the time the contract is executed.

Processors may secure loans from private lending agencies who have entered into lending agency agreements with the Corporation. The

interest rate is 3 percent per annum. The lending agency shall remit one-half of the interest collected to the Corporation.

Purchases by the Corporation will include direct acquisitions and, if requested, the taking over on August 1, 1947, or earlier, loans made in accordance with the Corporation's instructions by private banks to processors on soybeans purchased by them at not less than the support prices. Details of the operations of the 1947 program have not been determined.

PRICE SUPPORT—TURKEYS

A. *Type of program.*—Purchases of dressed turkeys in regular market channels on a carlot basis. Vendors are required to certify that producers received prices specified by the Commodity Credit Corporation.

B. *Level of support*—

1. Percent of parity: 90 percent of parity for the marketing year, which is confined to the 4 months—October, November, December, and January. In 1947 no breeding stock will be purchased for price-support purposes.

2. Date of parity: The current index of prices paid at the time price-support operations are inaugurated will be used to calculate parity-price levels.

3. Dollar-and-cents value: Currently the national average farm price for turkeys at 90 percent of parity is 27.5 cents a pound, live weight.

C. *How it operates.*—Purchase prices for dressed turkeys of various qualities on a carlot basis would be announced. Vendors who sell to the Government would be required to certify that they had paid producer prices as specified by the Commodity Credit Corporation. This type of operation provides vendors with an assured outlet for turkeys at prices which enable them to pay producer price, calculated to reflect at least 90 percent of parity. Price-support operations, designed for this purpose, should not be announced until it appears that market prices are at the levels which require support.

(Answer to question 2 (*c*)—Other commodities)

PRICE-SUPPORT PROGRAM FOR BARLEY

1. Loans on barley stored on farms or approved county warehouses only are made to producers by Commodity Credit Corporation. It is a nonmandatory loan program, the authority for which is based upon section 302 (a) of the Agricultural Adjustment Act of 1938, as amended; section 7 (a) of the act of January 31, 1935, as amended; section 4 (b) of the act of July 1, 1941; and the corporate charter of Commodity Credit Corporation, article 3, paragraph (b).

2. The loan rates are based upon the loan rate for corn and relative feeding values; 1946 loan rates were approximately 75 percent of parity price as of February 15, 1946; parity price of barley as of February 15, 1946, was $1.10 per bushel; and 75 percent of parity was approximately $0.83 per bushel.

3. Loans are available to producers from harvest until December 31, 1946, mature on April 30, 1947, and bear 3 percent interest. Producers may obtain funds from local lending agencies or direct from Commodity Credit Corporation.

COTTON BRANCH

Flax fiber price support

(*a*) *Type of program.*—Flax loan and purchase program, effective until June 30, 1948.

(*b*) *Level of support.*—

	Fiber from 1945 and preceding crops (per pound)		Fiber from 1946 crops (per pound) —Loan	Parity
	Loan	Purchase		
Grade:				
5X	53 cents	51 cents	48 cents	None established.
4X	do	do	do	Do.
3X	51 cents	49 cents	46 cents	Do.
2X	49 cents	47 cents	44 cents	Do.
1X	47 cents	45 cents	42 cents	Do.

(*c*) *How the program operates.*—Operates through Oregon State P. and M. A. Committee. The purchase and loan program is available to cooperatives whose entire net returns accrue to members only and to private mills, provided they shall certify to Commodity Credit Corporation that they have paid producers of flax for the 1946 crop not less than the minimum price fixed by Commodity Credit Corporation. The current price is $38 per ton for No. 1 straw and $28.50 per ton for No. 2 straw.

PRICE-SUPPORT PROGRAM FOR GRAIN SORGHUMS

1. Loans on grain sorghums stored on farms or in approved warehouses are made to producers by Commodity Credit Corporation. It is a nonmandatory loan program, the authority for which is based upon section 302 (a) of the Agricultural Adjustment Act of 1938, as amended; section 7 (s) of the act of January 31, 1935, as amended; section 4 (b) of the act of July 1, 1941, and the Corporate Charter of Commodity Credit Corporation, article 3, paragraph (b).

2. The loan rates are based upon the loan rate for corn and relative feeding values; 1946 loan rates were approximately 80 percent of parity price as of February 15, 1946, parity price on that date was $2.15 per hundredweight, and 80 percent of parity was approximately $1.72 per hundredweight.

3. Loans are available to producers in Texas, Oklahoma, Kansas, Nebraska, South Dakota, New Mexico, Colorado, Arizona, and California from harvest until February 28, 1947, and bear 3-percent interest. Producers may obtain funds from local lending agencies or direct from Commodity Credit Corporation.

GRASSES

Price-support programs, purchase or loan, on winter cover crop, hay, and pasture seeds

To encourage farmers to produce more seed to meet the ever-increasing requirements, the price of the winter cover-crop seeds and hay and pasture seeds listed on the attached sheet is supported to the

farmers directly through either purchase or loan programs. The variety of seed on which price supports are maintained, the type of program, the maximum basic price per pound—basis, clean, top-grade seed—and 90 percent of the known parity price for each are shown. Due to lack of historical price data, parity is not known for those varieties opposite which no figure appears. Parity figures given are as of September 15, 1946.

On the basis of clean seed, supported by official germination and purity test reports, Commodity Credit Corporation will purchase from farmers, direct, seed of the varieties indicated as under the purchase program when delivered packaged in approved-quality bags.

Nonrecourse loans are available to producers of those varieties of seed indicated as under the loan program when stored in approved warehouses; and in the case of certain varieties, when stored on the farm in approved structures.

Kind and variety	Program	90 percent of parity	Support price	
			Uncertified	Certified
Bahia grass	Loan, 1946		$0.20	$0.30
Little or big bluestem	do		.20	.25
Sand bluestem	do		.25	
Smooth bromegrass	do			.15
Buffalo grass	do		.35	.50
Dallis grass	do		.20	
Blue grama	do		.15	.20
Side-oats grama	do		.20	.25
Orchard grass	do	$0.1521		.15
Sudan grass	do	.0521	.04	.05
Switchgrass	do		.20	.25
Timothy	do	.0358		.06
Weeping lovegrass	do		.50	
Common ryegrass	Purchase, 1946	.05	.075	

COTTON BRANCH

Hemp fiber price support.

(*a*) *Type of program.*—Purchase program, available but no participation at the present time.

(*b*) *Level of support.*—

	Cents per pound	Parity
Type W milled, dewretted:		
Hemp line:		
Prime	31	None established.
No. 1	27½	Do.
No. 2	24½	Do.
No. 3	21	Do.
No. 4	15	Do.
Hemp tow:		
No. 1	12	Do.
No. 2	11	Do.
No. 3	7	Do.

(*c*) *How program operates.*—Functions through the Wisconsin State P. and M. A. Committee to private mills who pay producers a percentage not less than that established in prior years. This price is based on payments made in prewar years.

LEGUMES

Price-support programs, purchase or loan, on winter cover crop, hay, and pasture seeds

To encourage farmers to produce more seed to meet the ever-increasing requirements, the price of the winter cover-crop seeds and hay and pasture seeds listed below is supported to the farmers directly through either purchase or loan programs. The variety of seed on which price supports are maintained, the type of program, the maximum basic price per pound—basis, clean, top-grade seed—and 90 percent of the known parity price for each are shown. Due to lack of historical price data, parity is not known for those varieties opposite which no figure appears. Parity figures given are as of September 15, 1946.

On the basis of clean seed, supported by official germination and purity-test reports, Commodity Credit Corporation will purchase from farmers direct seed of the varieties indicated as under the purchase program when delivered packaged in approved-quality bags.

Nonrecourse loans are available to producers of those varieties of seed indicated as under the loan program when stored in approved warehouses, and in the case of certain varieties when stored on the farm in approved structures.

Kind and variety	Program	90 percent of parity	Support price	
			Uncertified	Certified
Alfalfa:				
Northern	Loan, 1946	$0.1305	$0.33	$0.40
Central	do	.1305	.30	.37
Southern	do	.1305	.26	.33
Clover:				
Alsike	do	.1521	.25	
Alyce	do		.18	
Black Medic	do		.20	
Crimson	Purchase, 1946	.1206	.115	
Do	Purchase, 1947	.1206	.115	
Cluster or Persian	Loan, 1946		.25	
Yellow Hop	do		.35	
Ladino	do			.135
Red	do	.1872	.28	.34
Hubam Sweet	do	.0652	.08	
Biennial White Sweet	do	.0652	.08	.15
Biennial Yellow Sweet	do	.0652	.08	.15
Biennial Mixed Sweet	do		.07	
White	do	.4005	.50	
Tennessee No. 76 or Common				
Lespedeza	Loan, 1946		.16	
Kobe	do		.12	
Sericea	do		.15	
Sericea Scarified	do		.18	
Winter Peas:				
Austrian	do		.035	
Do	Loan, 1947		.04	
Rough	Loan, 1946		.05	
Blue Lupine	do		.05	
Vetch:				
Hairy	Purchase, 1946	.1287	.12	
Do	Purchase, 1947	.1287	.12	
Common	Purchase, 1946		.06	

PRICE SUPPORT PROGRAM FOR OATS

1. A loan and purchase program on oats is offered to farmers. The oats may be stored on farms or in approved warehouses. The authority for the program is contained in section 302 (a) of the Agri-

cultural Adjustment Act of 1938, as amended; section 4 (b) of the act of July 1, 1941; and the corporate charter of Commodity Credit Corporation, article 3, paragraph (b).

2. Loan and purchase rates are based on loan rates for corn and relative feeding values and are approximately 75 percent of the parity price as of February 15 for the feeding year. For the 1946 program the parity price of oats as of February 15, 1946, was $0.71 per bushel, and 75 percent of parity was $0.53 per bushel.

3. Nonrecourse loans are available to farmers producing oats grading No. 3 or better. Purchases of oats are made on same basis. The program is effective from harvest to December 31 of the marketing year. Loans mature 4 months after the closing date or on demand. Loans may be obtained from local lending agencies or direct from Commodity Credit Corporation. All purchases are made by the Corporation.

SUGAR

The 1946 price-support programs were announced on August 1, 1945, to enable growers to plan for a maximum crop. The 1946 program guaranteed growers of sugar beets a national average return (including Sugar Act payments) of not less than $13.50 per ton of beets of the average quality of recent years. This compares with $12.50 in 1945.

In 1946 the sugar-beet grower received from the processor an average payment of $10.85 and a Sugar Act payment of $2.50, making a total of $13.35. Since the parity price of sugar beets in 1946 was $10.67, the grower received 125.1 percent of parity.

Under the 1947 offer, sugar-beet growers are guaranteed a national average return of not less than $14.50. Assuming a parity price of $10.67 (the same as in 1946), growers would receive 135.9 percent of parity.

For growers of sugarcane for sugar in Louisiana, Florida, Puerto Rico, Virgin Islands, and Hawaii, the 1946 price was supported to the extent of $2.10 per ton of average sugarcane. The support was graduated upward or downward in accordance with the ratio of sugar recovered from the deliveries of the individual producer to sugar recovered from all deliveries in each area. The price support in the case of Louisiana growers was equivalent to approximately $2.04 per ton of "standard" sugarcane. In the case of Louisiana and Florida this compares with $1.60 per ton of average sugarcane in 1945. For the other areas, on a cane-equivalent basis, it compares with $1.20 per ton in Hawaii, $1.08 in Puerto Rico, and 90 cents in the Virgin Islands. An additional provision applying to only Louisiana and Florida sugarcane growers authorized payments of $2.10 per actual ton of frozen sugarcane that was salvaged either for sugar or molasses.

Since the parity price of Louisiana sugarcane in 1946 was $7.24 and growers received a total of $7.63, they received 105.4 percent of parity. As in the case of the 1947 crop of sugar beets, the Commodity Credit Corporation offered a 1947 program to the Louisiana processors; but in view of the prospective higher price of sugar, they were unwilling to accept the offer.

Growers in Puerto Rico received in 1946 a total of $9.64, or 119.5 percent of parity. It is estimated that in 1947 Puerto Rican growers will receive approximately $10.73 per ton of sugarcane, which, assum-